Governor Kemper on the Debt. The message sent in by Governor KEM-PER yesterday to the General Assembly is the grandest message that ever emanated from a Governor of Virginia. It derives of its operations. It would greatly curtail an especial dignity from the situation in the number of misdemeanors, as well as which the Governor is placed and the circumstances that surround him. The embarrassments that grow out of the questions of public policy, yexed by the extraordinary public discussions and the extraordinary views and influences brought to bear upon public opinion, are such as no former Governor was ever required to confront. So great a responsibility has not fallen upon any Governor before Governor KEMPER. This he has met with an ability that is unanswerable and a public and pleasure." The criminal expenses cerdevotion that is heroic. This is ablest and noblest, but entitles it to applause as the most splendid document that ever issued from the gubernatorial chair of the Old Dominion. We say this with earnestness and pride: an carnestness that springs from a perfect conviction of the out a practical way to shut it off. truth of what we say, and a pride excited by the honor reflected upon the State by a paper so just, so orthodox in law and morals, so worthy of the Commonwealth in We heartily endorse this. Virginia had in her proudest days, and so eminently heroic this old system one of the best and most in devotion at a time when public devotion derives a halo of noblifty and glory from the embarrassments to which the grand old

The main feature of the message is its discussion of the public debt and the funding act. That part of the document must become a lext-book. It is logical, just, true, and unanswerable. The impracticability of the proposed expedients to get rid of the funding act is so completely exposed that the charlatan politicians surely can only be led to undertake any of them as demagogical strategy. Those who idly deny the obligation of the State to pay her debt are brought to confusion worse confounded by the clear and authoritative view presented by the Governor showing the unavoidable responsibility of the Commonwealth for every dollar she owes. This paper has more than once told those who claimed that the Federal Government should pay our debt, that if the Federal Government, having overpowered Virginia and brought her to subjection, was bound for her debt, that Government must have the right, as it certainly had the power, to make Virginia pay her own debt by taxing her people for the purpose. Certainly when the National Government restored to Virginia State autonomy-the power to tax her people, and along with it the public works built with the money she had borrowed-clearly the restoration carried with it the obligation to pay the debt incurred in making the property. There is no room left for a single word in answer to the argument of the

State is reduced.

But after presenting the true view of the umphant argument the Governor proclaims from his high position that Virginia is able of time for the completion of the Buchanan to pay her public debt, and that she can do this without disturbing the present tax- thinks, will be found to be the best investlaws except in the way of needed amend- ment in the interest of the canal. ments. This declaration will be received with the highest gratification by every citizen of the Commonwealth and by every friend of hers at home and abroad. That Governor Kemper is perfectly fortitied in his assertion we believe; and we hail his assurances as the gladdest of tidings to the people who have been sorely disturbed by the political discussions and the extravagant representations of those prophets of evil who undertook the odiously unfilial work of disparaging their State to strengthen their demagogical logic.

We felt our heart leap with delight while reading the sound views and the solid arguments of Governor KEMPER, and it was a happy conclusion that gave assurance that the State was entirely able to maintain her is spoken of as having no superior "for credit and comply with obligations which he proved to be unavoidable.

After following the message to the conclusion of this branch of it, the reader, we · are sure, will be entirely ready to agree with this whole-souled paragraph:

I close my official labors in this connection with the noble words which John C. Calboun uttered for South Carolina, and I adopt and apply them, expecting the approving response which they cannot fail to ring and noble monument to his public command: "I pledge myself that my State will pay every dollar she owes, should it take the last cent, without inquiring whe ther it was spent wisely or not. Should I in this by possibility be mistaken-should she tarnish her unsullied honor and bring discredit on our common country by re-I hold to be impossible—deep as is my devotion to her, and mother as she is to me, I

The Governor's Recommendations.

In another article we speak of the merits of Governor Kemper's message and its admirable discussion of the public debt. The views of the Governor touching other matters are wise. It is indeed rare that an official paper has been presented to the public containing so much to praise, with, we may say, nothing to condemn. We propose a brief reference to the general suggestions of the message.

RETRENCHMENT. Upon the subject of retrenchment the Governor thinks there might be a saving in the public expenditures by introducing a proper system and regulations in the performance of the duties of the Capitol offices, and he recommends that a special commis- monwealth. Notwithstanding that the State from any human source have been sion be appointed which shall, with the help the Capitol.

The Governor adduces figures to show how the public expenses have increased Virginia has been cut off the State. He calls attention to the saving that is practicable in the offices above alluded to and various expenditures which he enumerates. THE PENITENTIARY.

The penitentiary is overcrowded, and

PART OF THE EXPENSES. victs and diminish the amount of criminal

all reason to saddle a single county with the costly proceedings in the course of their conviction. Such cases ought to be shouldered by the State. While the counties, being left to the costs of misdemennors, would be sure to take care to restrict their cost and take measures to deter men from committing them.

[Here is a fine opportunity to introduce the whipping-post and enlarge the sphere their cost.]

The Governor's recommendation is excellent. TRANSPORTATION OF CONVICTS-CHARGES FOR

GUARDING CONVICTS. The Governor exclaims against the charges for conveying criminals to the penitentiary. Allusion is made to ease where the number of guards were unnecessarily large, and it has become a habit for persons in this way to travel for "mileage tified by the courts in criminal cases what makes the message not only his amounted the past year to \$177,940.65, while the ten years preceding the war, when there were more people and more territory, these

> expenses only averaged \$65,429.31. There is a great leak in the criminal sys tem of Virginia, and the Governor points

> COUNTY COURTS. The Governor recommends the restora tion of the old county court of magistrates. useful of tribunals. It was, as the Governor (quoting one of the wisest of statesmen) calls it, "the sheet-anchor of our liberties." What a blessing for Virginia the restoration of that old court would be.

STATE BOARD OF ASSESSORS. Governor KEMPER advises the establishment of a State Board of Assessors, to secure the equalization of the assessment of lands. The Auditor says under the present mode of assessments the State receives not more than one third of the revenue to which it is entitled from lands. This is evident from the fact that in some counties the loss by the late fresh is estimated to be more than the entire assessed value of the

personal property. OYSTERS.

The message asserts the right of the State to derive a revenue from the oyster-beds. If they are not to be "preserved or taxed' the Governor recommends that they be disposed of at once either by lease or sale. THE SCHOOL FUND.

The message explains how the school fund came to be in arrears, and completely vindicates the First Auditor from all cen-

TOBACCO.

The tobacco law of the last session is spoken of as having defects which should be removed by the present Legislature. THE CANAL.

The Governor appeals to the Legislature to assist in the repairs to the canal by authorizing the employment of convict labor without charge for clothing and food. The State has too large an interest in that improvement to permit it to die. She owns \$10,400,000 of the \$12,400,000 of capital stock

The Governor recommends an extension and Clifton Forge railroad, which, he

The message recommends legislation for the relief of the sufferers by the recent flood.

The able report of the Fish Commissioner

VIVA-VOCE VOTING. The Governor cordially commends a return to viva-voce voting at elections. That would be almost too good to be hoped for. If we went to the polls and heard the votes cried we should think that "Old Virginny" had come again. May good angels shower this gift upon us ! discussed at

THE LATE ATTORNEY-GENERAL. The death of Attorney-General Daniel tional compensation therefor. is noticed as a calamity; and the deceased egenius, for learning, for classic eloquence, for incorruptible purity, for shining efficiency and fidelity in official service, and

"for proud devotion to Virginia." CONOLUSION. The Governor concludes his splendid message with a modest paragraph. He certainly leaves in this last official annual communication to the Legislature an endu-

The Legislature---

-Had no trouble in organizing yesterday. The caucus of Tuesday that nominated Judge ALLEN, of Shenandoah, for Speaker fusing to redeem her plighted faith, which of the House was a "slipshod" affair that was open to ventilation; but its decision being respected the Judge was almost unanimously elected by the House. Not a ripple occurred to delay the organization; and the members had time enough after the session to read and digest the resplendent and to be printed.

sound message of the Governor. Mr. Speaker ALLEN is a son of the late Judge ALLEN, of the Virginia Court of Appeals, than whom there never lived a man of more true honor and more loyal devotion to the Commonwealth and to the preservation of her integrity and traditional fame.

Educated and inspired under the pupilage of such a father, the new Speaker comes forward with high claims to public respect and confidence. His birth and breeding forbid the idea that he can be a party to any measure that may tend to impair the reputation of the renowned Com-Speaker is young in the public service, he of experts, reorganize the departments at has served long enough to make his contemporaries sufficiently acquainted with his loyalty to the public honor to put to rest any apprehension that might arise. If there since the war, notwithstanding that West | be any ultra-readjusters who are disposed to infer an especial triumph in his election we suspect that they make a very great mis-

Governor Walker Declines.

The following note shows that Governor WALKER will not again be a candidate for many prisoners reach there who should Congress in this district. He retires voluntarily-not from compulsion; for he is a THE COUNTIES TO PAY PART AND THE STATE A miraculously popular man, and could probably defeat any aspirant in the district. The Governor proposes that, in order to We learn that he has been offered the control decrease the number of penitentiary con- of a large business enterprise in Virginia: WASHINGTON, D. C., November 29, 1877. charges, it be provided by law that the coun- Colonel John H. Bryant, Richmond, Va. ties shall hereafter pay all criminal charges for misdemeanors and the State all growing out of felonies. This is a very wise suggest

GENERAL ASSEMBLY OF VIRGINIA.

First Day's Session.

WEDNESDAY, December 5, 1877. SENATE. The Senate of Virginia convened at 12:00

clock, and was called to order by Lieu

enant-Governor H. W. THOMAS.

SENATORS PRESENT. The following senators responded to their names : Messrs. Betts, Bland, Bliss, Brooke Chiles, Elliott, Fulkerson, Gayle, Goode Griffin, Grimsley, Hairston, Hurt of Hali-fax, Hurt of Pittsylvania, Johnson, Koiner, Lee, Marshall, Massey, Moulton, Murray, Nash, Norton, Nunn, Paul, Phlegar, Powell, Quesenberry, Sherrard, Slemp, Smith, Spitler, Tanner, Tyler, Walston, Ward Wood, and Wortham.

Senators Daniel, Dickenson, Hinton, Sinclair, and Stevens did not answer to their

SENATORS SWORN IN.

Immediately after the roll had been called the CHAIR announced that the first business in order would be the swearing in of the newly-elected senators.

The senators assembled around the clerk's lesk, and the oath was administered to them by Lieutenant-Governor Thomas.

ELECTION OF CLERK. The CHAIR announced that the next busi ness in order was the election of a clerk. Mr. QUESENBERRY nominated for Clerk of county; and having received thirty-nine duly elected.

SERGEANT-AT-ARMS. For the office of Sergeant-at-Arms of the Senate Mr. CHARLES T. SMITH nominated

Mr. W. W. Harrison; and he was duly elected, having received thirty-eight votes. PRESIDENT PRO TEMPORE.

Mr. NUNN nominated Mr. WILLIAM D. pro tempore of the Senate. Unanimously

RULES ADOPTED. Mr. BLAND presented a resolution for the doption of the rules of the last session for

the government of this body. Mr. HURT, of Halifax, presented an instead of the Cierk of the Senate, as at pre-

Mr. CHILES presented a substitute for the rule as follows: The Clerk of the Senate shall appoint first assistant clerk; the Senate will elect the second assistant clerk, and five committee clerks shall be elected by the committees to which they are to be respectively assigned under this rule.

Mr. CHILES spoke warmly in advocacy of tees ought to have the right to bestow this patronage.

Mr. BLAND opposed the change. Mr. MARSHALL favored the change because the Senate was personally interested in the appointment of the " reading " clerk. The comfort of the body should be considered, and he hoped the change would be made. Mr. GAYLE and Mr. SMITH opposed any

hange. The substitute was rejected-ayes, 12 nes, 26.

Mr. HURT now asked to withdraw his mendment; which was allowed. The rules of last session were the donted.

Mr. Jourson presented a resolution for the appointment of a committee of nine on The resolution provoked considerable discussion, pending which Mr. Bocock,

rom the House, reported that the "House of Representatives" had organized and was ready for business. The resolution was agreed to.

Mr. Massey was requested to inform the House that the Senate was ready for bust-

PRAYER FOR THE SENATE.

Mr. QUESENBERRY presented a resolution inviting the resident clergy of Richmond and Manchester to open the daily sessions of the Senate with prayer.

CONTESTED ELECTION.

The CHAIR laid before the Senate a number of depositions in the contested-election ease from the Twenty-fourth Senatorial district. Mr. Bliss is the senator returned, and Mr. Coleman is the contestant. On motion of Mr. GRIMSLEY the papers

were referred to the Committee on Privileges and Elections.

BOORKEEPER.

On motion of Mr. PHLEGAR the janitor was directed to discharge the duties of the doorkeeper and to receive \$2 per day addi-

TO WAIT ON THE GOVERNOR. Mr. MARSHALL presented a resolution for

the appointment of a committee of three on the part of the Senate and five on the part of the House to wait on the Governor, inform him of the organization of the two houses of the General Assembly, and inform him that of order. While alarming conflicts bethey are ready to receive any communication he may have to make. Agreed to. The CHAIR appointed Messrs. MARSHALL, COINER, and FULKERSON.

The committee retired, and after a brief absence reported that they had discharged ness or enterprise in Virginia. the duty imposed upon them; that the Governor welcomed the return of the Legislature; that the condition of the Commonwealth was prosperous and that he would to The Giver of every good. communicate at once to the General Assem-

Message from the Governor. Immediately liter the return of the committee the Governor's private secretary, Mr. Whipple, presented to the Senate the following message from the Governor. The Clerk was proceeding to read

message, when, on motion of Mr. NUNN, the message was laid on the table and ordered COMMONWEALTH OF VIRGINIA,)

GOVERNOR'S OFFICE, RICHMOND, 5th December, 1877. Gentlemen of the Senate and House of De egates:

On the eve of laying down the powers of this department, I greet a Legislature which comes into being to-day at the bidding of the sovereign people. Performing for the last time the duty enjoined by the Constitution of communicating to the General Assembly the condition of the Commonwealth, I embody the results of four years of observation and experience in the idministration of the government.

It is cause for profound congratulation that the worst evils possible to befall the successfully tided over. We cannot resist the evidence that the future of Virginia is full of hope; for we are taught by the trials already endured and overcome that not only are we able to deal successfully with the financial difficulties which confront us, but this generation will be false to itself if it does not more than replace the prosperity and the political power of our fathers.

to redress existing evils, it is required that firm bands shall explore their origin and measure their limits.

After Virginia, more than any other State. had borne the burthens and ravages of the most tremendous war of modern times: after having passed through the yet longer reconstruction, so called, this Commongrievous injuries in the house of its

It is true that when the reign of th

for misdemeanors and the State all growing out of felonies. This is a very wise suggestion. It presents a compromise. It was from the formerly proposed that the counties should be saddled with all criminal charges. In objection to that it was argued in the involved many thousands of dollars, and it would be very hard and unjust upon and the countees in which the countees in which the countees in which the countees in which the contests and the connected the ment. Nothing remained to be done but, by the stern hisbandry of our straitened and other good then some and other good the same mandate of the Constitution which devotes one iffly of the property states. The state of the conclusion expressed to just and economical government. On the state is delt and properties which the property did to the same mandate of the Constitution which devotes one iffh of the property. States. The properties which have obsected the state of the ded to the property did to the same mandate of the Constitution which heve obsected the states. Nor can it be imagined that any device or states, and to the same mandate of the Constitution which have obsected the states. So complicated, send that the states and the consequent to obstruct a particular provision of the treasury of the same character, and ought equally to be classed as current expenditures on account of education. But the funding bill, could be regarded with the properties which the constitution which have obsected the states. The properties which the constitution which have obsected the states and the construction of the contract it constitution which have observed the same mandate of the Constitution which states. The properties which the constitution of the contract in the

ored traditional ways being regarded, new | its debt, which are in the last degree erroand disastrous policies were sought to be

fastened upon the Commonwealth. In the works of internal improvement constituting almost the whole consideration | tire indebtedness with the utmost possible of the public debt. Virginia had preserved very large and valuable interests. Had from the only authentic sources, and they these great properties of the State been husbanded with ordinary prudence they would have sufficed ultimately to extinguish a very large part of the existing debt. But the policy prevailed of divorcing the government from the control of the public works. These all-important interests were sold or encumbered, or otherwise disposed of, and, for the most part, with ruinous sacrifice and loss. Not only were the best assets and securities of the public credit thus squandered and sunk, but another disastrous result is that the main arteries of internal commerce have been surrendered to a control which is alien if not unfriendly to the development of our own marts of

Another, if not equal injury, resulted

from a new adjustment of the public debt

which deprived the State of all control over

a large proportion of its annual revenues

for more than the period of the present generation. After the war, and prior to the assage of the funding bill, the Legislature had in successive acts recognized the obligation of the debt and plighted the public faith for its redemption. But nothing had been done which countenanced the policy of bargaining off the future revenues of the State and subjecting the maintenance of the government in any degree to the mercy of bonded creditors. No call from the peohe Senate Shelton C. Davis, of Henrico ple at home, no pressure from ereditors abroad, necessitated or justified or sugvotes, a majority of all cast, was declared gested such a settlement. Up to that time nothing but sympathy and good-will had marked the relations of the bondholders to this Commonwealth: the enactment of the funding bill was a surprise no less to them than to our own people; and we now know that a settlement incomparably better for all parties concerned in the debt of Virginia could then have been easily and honorably procured. Although the propor-QUESENBERRY, of Caroline, as President tion of the revenues thus sequestered and put beyond the proper control of the State by the original contract of the funding bill was very much less than that contemplated should not continue in the future to inand proposed by its projectors; although the operation of the bill was to some extent arrested by subsequent legislation, and the amount of revenues which it diverted from the general expenses be made, and if the amendment to the rules providing that the the treasury thus materially diminished; committees shall appoint their own clerks and although the subsequent rate of taxation has been greater by twenty per centum than that which the authors of the bill declared to be sufficient for carrying on the government and for paying, at the same time, full interest on the whole of the antebellum debt, then amounting to more than forty-five millions of dollars; notwithstandhis proposition. He thought the commit- than extraordinary caution, economy, and 036,10. The balance of revenue needed to vigilance have sufficed to meet current ex- cover this reduced deficiency is already penses, to enforce the laws, and to hold so-

cicty together. In addition to this heritage of troubles ransmitted to us by our predecessors, other causes have supervened to embarrass the government. Just four years ago a monetary collapse settled down upon the busipaired public and private confidence and locked up the local circulating medium. and seanty; it increased the hardships of taxation and hindered the collection of taxes; it inevitably postponed the financial restoration of the State, and for a time it redoubled the difficulty of carrying on the

government. difficulties from within and without we ing and retrenching the expenses of the have a right to rejoice that Virginia has government all the obligations of the State struggled successfully through them all. I could be fully met and the existing rate of speak advisedly and deliberately in affirming that the worst is over .. For more than that subject for another part of this paper, I a year the great monetary panic has been take occasion now to congratulate you upon values and annual revenues give every tion shall either increase the volume of expromise of continued and progressive improvement; while in all practicable directions, and as far as the existing laws permit, the public expenditures have been correspondingly reduced. During the last four years not only have the public schools and charities been maintained, law and order upheld, and the authority of the government preserved in its vigor, but the sum of \$5,275,953.42 has been paid on account of interest on the various obligations of the State. The year, which is about to close, has brought with it favorable seasons, bountiful harvests, and abounding health; while the masses of the people, by hard toil and by thrift, have made steady and marked progress in working out the material restora- present to show that these funds constitute tion of the State. The perfect peace and no part of the State debt. tranquillity everywhere and always prevailing have been solely due to the lawabiding virtue of the people; for in no instance has the employment of military force or any rigorous exercise of Executive authority been needed for the preservation tween capital and labor have shaken the has disturbed any of the currents of busi-

For deliverance in the past, for the opportunities of the present, and for the promises of the future, let our praises be lifted

RECEIPTS AND EXPENDITURES. The average annual receipts from taxation source for the fiscal year 1876-'7 were \$2,-505,387.17. Though above the average, this amount is less than the receipts for the next tion is due to the difficulties which were of liquor taxation to another-the taxes imposed upon consumption by the new law having been wholly suspended for a considerable period by the injunction of a Federal court, while the same law very greatly reduced the taxation of wholesale dealers. The loss to the revenue from these sources during the last fiscal year was not less than \$200,000.

The disbursements of the revenues from

follows: For ordinary and permanent ex-penses of the government.

For extraordinary or temporary ex-penses, required by special acts of

Assembly, for purposes other than the current support of the govern-For interest on debt.....

Balance applied to temporary loans of the year 1875-76..... 57,364 60 \$2,505,387 17

*The fiscal year of the State and that of the Department of Public Instruction begin at different dates—hence an apparent discrepancy between sums reported by the Auditor of Public Accounts and the Superintendent of Public Instruction. The present fund is too large to be carried, according to the design of its founders, without injustice to other interests and in-The ordinary expenses of the govern

ment for the last fiscal year were less than Nevertheless, in order to understand and for any year since the Constitution took effect, and less by \$88,583.08 than the average annual expenses of the last eight years on the same account. It will be found that the criminal expenses, which are wholly be youd the control of the Executive department, have continued to increase in an extraordinary manner; and, due allowance and barder trials of armed repression and being made for that fact, it will be seen that the reduction of the other ordinary exwealth finally received other and only less penses of the government has been considerably greater than the foregoing statement

sword was withdrawn the State was left THE PRESENT CONDITION OF THE DEBT OF VIR-

Besides, the criminals in such cases were often so noted and so clearly dangerous to whole communities that it would be out of the country and such cases were often so noted and so clearly dangerous to whole communities that it would be out of the country and other good all the condemnation of the country and frugality enjoined to you and other good fine so noted and so clearly dangerous to stood by and sustained me. I am, very truly, perity we had lost. But instead of the hon-lations as to the ability of the State to carry or or others will hereafter seek to renew the condemnation of the courts and the public feeted.

The market value of the public lation; while the market value of the public feeted.

It is not to be supposed that either crediting and the condemnation of the courts and the public lation; while the market value of the market value of the market value of the public lation; while the market value of the public lation; while the market value of the public lation; while the market value of the market value of the market value of the public lation; while the market value o

neous, fanciful, and extravagant. I propose to recapitulate the financial condition of the State and to present its enexactitude. The particulars are drawn are verified by the only tests which can ex-

clude the possibility of error. ned since the funding bill took effect, and which constitute so much non-interest-bearing debt, amount to.....

Consequently the whole of the pul the debt during the six years which have elapsed since the

nding bill went into operation-

These figures show that the average annual increase of the debt during the last six years, resulting solely from the accumulation of interest arrears, has been \$510,036.10 and no more.

\$3.060.216 60

Fortunately, the State yet retains several nterests in internal properties other than he water-line, which are salable and have determinate market value. If it be the pleasure of the General Assembly to provide for the sale of these interests at their present value, and if the proceeds of such sales be invested in the new funded bonds of the second class, they will suffice to retire \$1,900,000 of the existing debt, and thus the entire outstanding indebtedness of the State will be reduced to \$31,638,-

But, in calculating the deficiency in the treasury for the future, let it be assumed that this measure of relief may not commend itself to legislative approval.

It is as clear as mathematical demonstration that, if the Legislature shall leave the general features of the present revenue system untouched, merely correcting patent | the people. defects in matters of detail, the current resources of the treasury will hereafter suffice to pay full interest on the entire outstanding debt. Even if our taxable values crease, as they are now increasing, by the slow but certain processes of reproduction and accretion; even if no retrenchment of present revenue system be simply perfected and then allowed to go on without interruption, full interest will be paid to the creditors of every class. The recent constitutional amendment, which prescribes biennial sessions of the Legislature, will necessitate an average saving, in legisdred thousand dollars annually. guaranteed by the new revenue measure devised by the last General Assembly. The method now in force for taxing the is an experiment which its authors have not claimed to be free from defects, and although more time is required for giving it ness of the general country, and its disas- full and effectual operation in many porrous pressure was felt throughout the tions of the State, yet the returns already civilized world. In our own midst it im- made demonstrate beyond question that upon the obvious defects of the measure credit; it shrank all taxable values; it being corrected the increased revenue to be derived from it cannot fall below a balf which even theretofore had been inadequate million of dollars annually. This is no conjectural estimate. It is the result which is the new system under many disadvantages.

In my inaugural message to the General Assembly I expressed the opinion, which subsequent experience has strengthened taxation at the same time reduced. Reserving penses or diminish the supply of revenues, the interest on every class of debt will be ginia is already assured and virtually consummated. In the foregoing statement I make no ac-

count of balances, due from one pocket of the treasury to another, because they constitute no part of the public debt. I now proceed to state and explain them.

FUNDS WHICH ARE SOMETIMES ERRONEOUSLY CLASSED AS PART OF THE DEBT.

I do not prepose to repeat the expositions of the sinking and literary funds, contained improved habits of industry, frugality, and in my former messages, to which reference is respectfully invited. It is enough for the

The principal sum of the sinking fund. now amounting to \$5,125,271.90, is an aggregation of bonds, formerly held by pubtaken in, and deposited as property of the State, and as so much extinguished debt, in its own coffers. Instead of being a part of the existing debt, the sinking fund reprefoundations of society elsewhere, and even sents nothing but so much debt as has receivable in payment of its taxes; that invaded some of the States contiguous to ceased to exist. It can only be increased such contracts made by one legislature our own, no ripple of lawless excitement by further reductions of the outstanding the less the State actually owes. It is no requirement of the Constitution, but the tent to contract, but they are incapable of voluntary act of the Legislature, which has given to this fund its present onerous by the utmost power of the State. It is amount, composition, and character, and which has originated the policy of semi-annually diverting from the treasury great to be expended in purchasing and retiring wrong, and that the supreme law, which the State cannot maintain its existence and sums, equal to interest on the sinking fund, 401,726.19. The receipts from the same or sinking other bonds of the State. Experience proves that this mode of maintaining so large a sinking fund is an excessive burthen upon the treasury, especially du- cisions are plainly and confessedly irreverpreceding year by \$173,952.47. The reducand it is a question for serious considera- they are, and I shall pause for no speculaencountered in changing from one system tion whether it is not wisest to cancel and tive inquiry as to what might have been or that the State has been conquered by arms, destroy the bonds which compose the fund, ought to be. It is enough to know that the and that the conqueror, having dismemas the law-making power has unquestionable | decisions cited inevitably and finally control | bered it and destroyed more than half of its authority to do. No provision of the Con- the question at hand. stitution and no obligation of plighted faith stands in the way of such a disposition of the sinking-fund bonds. By the Constitut lieution of an act as conclusive proof of its tion of 1851, a specified portion of the an- passage, and they cannot go behind it even are at war, and one of them in battling for nual revenues was set apart, to be invested in a prescribed mode, for maintaining a per- ruption in the procurement of its passage. the property of its own citizens, the dam manent sinking fund. By the present Con- It is easy to see that if the courts could intaxation during the last fiscal year were as stitution no such requirements are imposed upon the government, but both the character and amount of the means to be contri- it as the result of such inquiry, then the lies against the State for losses which it thu 967.393 42 buted, and the methods to be employed for judiciary would absorb the government, occasions to its own citizens in the exertion the maintenance of the sinking fund, are and the constitutional independence of the of its rights. It is evident, and for strong left to unlimited legislative discretion. It is submitted that if the present sinking- destroyed. It must also be borne in mind the invading or conquering enemy for fund bonds be destroyed, and if provision he made for setting apart annually hereaf- of circumstances or from any conceivable ter such specific sum as the treasury can cause it were possible, as it is not, for the clares: "All are exposed to such damages. reasonably afford, to be invested in obligations of the State or the United States, all the requirements of the Constitution upon this subject will be completely satisfied.

respect to the real liabilities of the State. The literary fund, so far from constituting posed of assets belonging absolutely to the State, the annual income of which, now amounting to \$83,907.64, is dedicated to the founded by the State for its own benefit. Of all the vagaries and extravagancies of the public schools by period we live in none exceed the mis-

serves only to beget error and confusion in

the idea, long since exploded, that Virginia | act of the government which destroys or will ever become liable for the debt of West imperils its own existence is nugatory; Virginia, or for any part of it. Assuming that the funding bill alienates revenues that at the close of the war the two Vir- which are or may become indispensable to ginias were jointly and severally bound for the support of the government, and that the whole of the original debt, nevertheless, therefore, from the very necessity of the by the express terms of the funding-bill case, the bill is unconstitutional and void contract, as acceded to by the creditors, Virginia can never become liable for any part of "West Virginia's third" except by virtue of a settlement hereafter to be concluded between the two States. Clearly and unquestionably such a settlement is impossible to be had without the cooperation and assent of Virginia. If we ever become liable for any part of the debt thus remitted to West Virginia, then it will be no otherwise than by her own voluntary act that Virginia will incur that liability. Until the coming of the millennial era it can scarcely be supthat a department of the government, like posed that one State will volunteer to assume the burthens of another State. Out members composing it may change, yet in of one full third of this State, torn from its debt previously contracted by the undimemberment fairly devolved on West Virsignment. No principle of right or duty, no obligation of honor, requires Virginia to pay "West Virginia's third," or any part of it; and therefore such payment will never be undertaken by Virginia, nor expected by any of the parties concerned. THE PROPOSED EFFORTS TO NULLIFY THE

FUNDING BILL.

In several messages I have endeavored to enforce the opinion that, however unwise and unfortunate the passage of the funding bill, yet the contract embodied in it and executed in pursuance of it is inviolable and irrepealable; that it is the bounden duty of all to stand to the decision of the highest State court affirming its validity, and that any further agitation for the purpose of invalidating it is a wrong to the good name of Virginia and an injury to every interest of

just, and it is due to the truth of history. that I should vindicate the motives of those who act upon opposing opinions. There is not, and there never has been, any organized party of repudiation in Virginia. Excepting an almost inappreciably small class of thinkers presently to be mentioned the great body of those who resist the execution of the funding bill have no idea of resisting the payment of the debt. That bill has been the fruitful source of discord, and but for its existence no sentiment unfriendly to the creditors and no popular agitation on the subject of the debt could have arisen. Those who seek to invalidate the bill believe that it is in the nature of an act of This | State suicide; that it impairs the dignity ing these measures of partial relief from the single item of retrenchment reduces and the sovereignty of the Commonwealth intolerable hardships thus sought to be in- the average annual deficiency in respect to by taking from it the control of its flicted upon the government, nothing less the debt from \$510,036.10 down to \$410.- revenues and stripping it of its just powers of self-preservation; that its device of taxreceivable coupons, alienating in advance and mortgaging to creditors for a period of thirty-four years a large proportion of the taxes, deprives the government of essenconsumption of alcoholic and malt liquors tial governmental functions and powers; that its enactment was not merely a surprise but an imposition upon the people; that exaggerated estimates of our taxable values, afterwards seconded by undue influences, procured and precipitated its passage; and that for these and minor reasons the bill ought to be judicially or otherwise annulled and avoided. The opposers of the bill are galled and irritated by the withes and manacles with which it fetters the traditional liberty of local/self-government. Its effect is irresistibly proved by the actual working of to wound the sentiment of State pride and to engender resentments and animosities which, though often supposed to be directed the obligation of a contract. When it against the bolders of the debt, are really proposed that the State shall invoke the aimed at the funding bill itself. Many supreme law of self-pre-ervation and exert In fairly estimating these accumulated and confirmed, that by properly rearrang- who were first to revolt against the the supreme right of nations in order torid of the bill would be first itself of a contract, I ask he in honorable and voluntary efforts to pay off the debt if the compulsion were repart of those who seek to overthrow the voke such supposed authority Virginia funding bill, that if they fall short in any must go outside of the Union, and cease to steadily and visibly receding. The taxable the unanswerable fact that if no adverse ac reasonable effort to meet the just demands of creditors; if they fail to provide all the means properly available for that purpose; if they refuse to remedy the acknowledged paid, and the financial restoration of Vir- defects of the present revenue system, then their inaction will be taken for repudiation.

> tive, indirect, and insidious. It is time that the funding bill were disembarrassed of the fallacious objections with which its validity is assailed, and it is time that all controversy over the debt, so baneful to the peace and the progress of the State, should now be finally settled and put behind us. Why is the contract of the funding bill irrepealable?

> and all the worse because it will be nega-

In construing the provision of the Constitution of the United States which forbids a State to pass any law impairing the obligation of contracts, in a multitude of cases and by the highest courts, State and Federal, it has been held and decided that the prohibition applies as well to the cone creditors, which have been paid off, tracts of a State as to the contracts of corthe certificates or evidences of its own debt bind all succeeding legislatures; and that all others. It will be found that the State debt; so that the larger the sinking fund such contracts are not only as inviolable as those between citizens compebeing abrogated, either in whole or in part, true, that while the jurists who antagouize the funding bill admit that the decisions of equal to a tax of ten cents on the hundred the courts are as I have stated, yet they be- dollars, or of thirty cents on each inhabitant lieve and insist that those decisions are of the Commonwealth. The allegation that forbids a State to impair the obligation of carry its debt is not only wholly unsupcontracts, was never intended to apply to the undertakings of a State. But those de-

Moreover, it is well settled that the courts are bound to accept the legislative authento consider any allegation of fraud or corquire into the means or motives which pro- chance deals out to the proprietors on whom cured the passage of a law, and could annul departments would be broken down and er reason, that no reclamation lies agains in this connection that if from any change the damages or losses Court of Appeals of Virginia to reverse its and woe to him on whom they fall. The decision affirming the validity of the fund- members of a society may well encounter ing bill; even if the other departments of such risk of property, since they encounter the government should join in carrying such a similar risk of life itself." Indemnificareversal into effect, and even if the ultimate tion should unite in annulling or repealing jury to the creditors themselves. Remain- the bill, still all these would be obviously ing in its present dormant condition, it unavailing acts done by or on behalf of the State: for the main question would then be cognizable, and would have to be de- from the equity and voluntary bounty of cided by the Supreme Court of the United the sovereign, and not otherwise. It is true any part of the debt, is a capital sum com- States, which, through a long line of deci- that if the autonomy of the conquered State sions, has maintained the identical grounds held by our Court of Appeals in the prem- ers of taxation and self-government, and ises. In order to nullify the funding bill its being merged in that of the conqueror. interests of education. The principal of it is not enough to set aside the authority then the latter must assume its foreign debt the fund can never become demandable or of the Court of Appeals of Virginia, it is but even in that case the conquered people payable, for by the terms of its foundation also necessary to get rid of the Supreme would be taxed by the conqueror and so it is required to remain intact forever. It Court of the United States. I forbear to made to pay their own debt. Assuming is in the nature of a perpetual annuity comment upon the morality of resistance to that Virginia was conquered by arms, its judicial authority; but so far as its policy The annual interest on the literary fund is concerned, no lesson from the past is queror reinvested it with its original pow-

Is this proposition true? Assuming that the State cannot strip itself of such powers and resources as are indipensable to its existence, it must be remem.

bered, as having been well settled, that the

political department can alienate by con-

tract some portion of its means; and it is

the province of that department to decide

what portion of its revenues is necessary to

the support of the government and what

portion can be alienated without imperilling

its existence. It must also be borne in mind

the State, can never die, and, however the

legal contemplation the department itself body, was created West Virginia. Of the the same yesterday, to-day, and forever. In 1871 the political department, being clothed vided State one third at the date of its dis- with full authority to contract in the premises, decided that the State would ginia. Equitably and justly one third of means enough left for its support after the debt was set apart and assigned to West alienating a certain proportion of its revo-Virginia, and the creditors ratified the as- nues to its creditors, and accordingly it did by an executed contract alienate those revethirty-four years. Could that identical department the next day or year, or six years thereafter, change its mind and annul the contract, which it was competent to make, on the ground that it had committed an error and had conveyed away more of the reve. nues than it could afford to spare? The statement of the question answers it. The parties to every contract stand in coequal relation, and they are clothed with correlative rights. The only department of the government which can bind the State by contract with its creditors has neither more nor less power to annul or change the contract afterwards than the creditors themselves have. To say that either party to a concluded contract may withdraw from it or annul it because it has made a bad bar. gain, is the announcement of a theory Holding these views, it is appropriate and which would overthrow every principle of legal right and human obligation. To say that a State may thus retract its plighted faith and revoke its contract, is to destroy the sanctity of all contracts, to put an end to all confidence between man and man, to overturn the foundations of public and private credit, and to render the Government powerless to raise loans and maintain its existence in any time of emergency. The establishment of a doctrine so monstrous would be the virtual dissolution of civilized

But it is alleged that the funding-bill conract is in fact impeding and virtually stopping the wheels of the government; that impairs its inalienable right of self-preervation and imperils its existence; that o let it remain in force is to produce a case of political felo de se; that the State is ron. stitutionally bound to preserve its being, and the only means of preserving it is in abrogation of that measure; and that therefore, the supreme duty and suprem law of self-preservation both empower and oblige the State to abrogate it. Are the propositions true? It must be remembered that Virginia is

of a separate nation, but one of many United States, irresistibly bound by the obligations which perpetuate the common country and bind the States together in a general union. The State must act within the powers which it has reserved and not delegated to the common Government. It cannot go counter to those delegated powers, for they are inviolable and supreme. I is a part of the supreme law thus erecte over all the States that no State shall impair under such color of authority, do an ac which the organic law of the Union expresbinds Virginia not to do? In order to inis extra-constitutional and revolutionary, cial tribunal of the Union would have to be called on to do what is plainly impossiblethat is, to reverse its consistent and tradtional rulings upon the question involved ease, the highest authorities inform us that the necessity for resorting to it must be clear and overwhelming; it must be such as to satisfy the sentiment of honor which pervades the moral and financial world: "it must be the first and supreme necessity-a necessity which is not chosen but chooses. a necessity paramount to deliberation, that admits no discussion and demands no evidence," which alone could excuse an alternative so replete with anarchy and despera-

Happily, it is demonstrable that no such necessity can arise in Virginta. If the deta proper of each State be aggregated with its parison on that basis will show that, relatively to population and resources, the per ple of Virginia owe less than those of many of the States. It will be found that the rate of taxation in this State is less than in almost taxes are little as compared with the direct the National Government. Even if the method of taxing liquors should yield m increase of revenue, still the deficiency in the treasury, would be covered by a sum ported, but conclusively contradicted by the facts.

The remaining objectors to the funding bill are those, before referred to, who asserthat Virginia owes no debt. They argue taxable values, has become solely liable for its ante-bellum debt. We are taught, by the standard authori-

ties on national law, that where two powers

the defence of its invaded territory destroys

ages thus inflicted "are misfortunes which

they happen to fall," and that no demand The law tion for such losses is utterly impracticable. because "there would be no end of the particulars, and it is to be presumed that no such thing was to be intended by those who united to form a society." If compensation for such losses is allowed at all, it proceeds be destroyed, if it be deprived of the powautonomy was not destroyed; the con-